

## Message Text

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PAGE 01 STATE 188268  
ORIGIN OES-09

INFO OCT-01 EUR-12 ISO-00 XMB-02 PM-05 ACDA-12 CIAE-00  
INR-10 IO-13 L-03 NSAE-00 EB-08 NRC-05 SOE-02  
DODE-00 DOE-15 SS-15 SP-02 CEQ-01 NSCE-00 SSO-00  
INRE-00 /115 R

DRAFTED BY OES/NET/NEP:RDEMING:SK  
APPROVED BY OES/NET:LVNOSENZO  
EUR/EE - MR. FROMOWITZ

-----063195 261343Z /45

O 261318Z JUL 78  
FM SECSTATE WASHDC  
TO AMEMBASSY BELGRADE IMMEDIATE

C O N F I D E N T I A L STATE 188268

E.O. 11652: GDS

TAGS: PFOR, ENRG, PARM, MNUC, YO

SUBJECT: KRSKO FUEL EXCHANGE OF LETTERS

1. SECRETARY SIGNED LETTER TO VRHOVEC ON KRSKO FUEL  
JULY 25. ORIGINAL, UNDATED, WILL BE HELD HERE  
UNTIL EXCHANGE TAKES PLACE IN BELGRADE.

2. BEGIN TEXT. DEAR MR. SECRETARY: I REFER TO THE  
AGREEMENT AMONG THE UNITED STATES OF AMERICA, THE  
SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA AND THE INTER-  
NATIONAL ATOMIC ENERGY AGENCY (IAEA) OF JUNE 14, 1974,  
CONCERNING THE USE OF THE UNITED STATES FUEL FOR THE KRSKO  
NUCLEAR POWER PLANT, INCLUDING YOUR COMMUNICATION TO THE  
DIRECTOR GENERAL OF THE IAEA AND YOUR LETTER TO ME OF TO-  
DAY, AND STATE THE FOLLOWING:

THE GOVERNMENT OF THE UNITED STATES AFFIRMS ITS INTEREST  
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IN TIMELY ISSUANCE OF THE NECESSARY LICENSES FOR EXPORT OF  
FUEL FOR THE FIRST CORE AND FIRST RELOAD AS WELL AS FOR  
SUBSEQUENT FUEL AS MAY BE REQUESTED FOR THE NUCLEAR POWER  
PLANT KRSKO, IN ACCORDANCE WITH EXISTING AGREEMENTS, IN-  
CLUDING THE AGREEMENT FOR COOPERATION OF AUGUST 14, 1974  
("THE CONTRACT"). I NOTE THAT UNDERTAKINGS OF THE KRSKO  
POWER PLANT CONSORTIUM ACCORDING TO THE AGREEMENT WITH THE

EXPORT-IMPORT BANK OF JULY 25, 1974, SHALL APPLY TO ALL NUCLEAR FUEL THE KRSKO NUCLEAR POWER PLANT MAY RECEIVE UNDER THIS ARRANGEMENT, IRRESPECTIVE OF THE DURATION OF THAT AGREEMENT.

I ALSO NOTE WITH PLEASURE THE READINESS OF THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA TO STORE THE IRRADIATED FUEL SUPPLIED BY THE UNITED STATES UNDER THIS AGREEMENT IN ADEQUATE STORAGE FACILITIES ON THE TERRITORY OF THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA FOR A PERIOD OF TIME SUFFICIENT FOR ITS POSSIBLE SUBSEQUENT USE IN SUPPORT OF THE ECONOMIC DEVELOPMENT OF THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA AND IN ACCORDANCE WITH NON-PROLIFERATION OBJECTIVES. FURTHERMORE, I NOTE THE READINESS OF THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA TO EXPAND ITS IRRADIATED FUEL TEMPORARY STORAGE FACILITIES AND I CAN CONFIRM, ON BEHALF OF MY GOVERNMENT, THAT THE UNITED STATES INTENDS TO PROVIDE APPROPRIATE SUPPORT FOR THESE EFFORTS.

WITH RESPECT TO DISPOSITION OF THE US FUEL IRRADIATED IN THE KRSKO NUCLEAR POWER PLANT, THE UNITED STATES UNDERSTANDS THAT THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA SHALL ACCOMPLISH SUCH DISPOSITION IN ACCORDANCE WITH THE ALTERNATIVES SET FORTH BELOW:

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A. STORAGE IN THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA;

B. STORAGE, PROCESSING AND OTHER DISPOSITION IN ACCORDANCE WITH INTERNATIONALLY ACCEPTED AGREEMENTS TO WHICH BOTH THE GOVERNMENT OF THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA AND THE GOVERNMENT OF THE UNITED STATES SUBSCRIBE;

C. STORAGE IN THE UNITED STATES FOR A FIXED FEE UNDER RELATED COMMERCIAL ARRANGEMENTS, IF PRACTICABLE.

THE GOVERNMENT OF THE UNITED STATES UNDERSTANDS THAT THE UNDERTAKINGS CITED ABOVE REFER TO THE FIRST CORE AND FIRST RELOAD AND ANY OTHER SUBSEQUENT RELOAD THAT MAY BE REQUESTED AND TRANSFERRED. THESE UNDERTAKINGS MAY BE TERMINATED, IT BEING UNDERSTOOD THAT SUCH TERMINATION SHALL NOT AFFECT THE RIGHTS AND OBLIGATIONS OF THE PARTIES (INCLUDING THOSE SET FORTH IN THIS LETTER) WITH RESPECT TO FUEL TRANSFERRED TO THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA PRIOR TO SUCH TERMINATION. NOTHING IN THESE

ARRANGEMENTS IS MEANT TO AFFECT THE TERMS OR CONDITIONS OF

THE AGREEMENT FOR FURNISHING URANIUM ENRICHMENT SERVICES  
UNDER THE AGREEMENT FOR COOPERATION OF AUGUST 14, 1974,  
AND THE AGREEMENT FOR THE SUPPLY OF URANIUM ENRICHMENT  
SERVICES FOR A NUCLEAR POWER FACILITY IN THE SOCIALIST  
FEDERAL REPUBLIC OF YUGOSLAVIA OF AUGUST 14, 1974.

I WOULD ALSO LIKE TO NOTE THAT SHOULD THE UNITED STATES  
AND THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA SUBSCRIBE  
TO ANY NEW INTERNATIONAL AGREEMENT WHICH WOULD REFER TO  
ISSUES REGULATED BY THIS AGREEMENT, THE GOVERNMENT OF THE  
UNITED STATES EXPRESSES ITS READINESS TO ENTER PROMPTLY  
INTO NEGOTIATIONS ON NECESSARY MODIFICATIONS FOR THE IM-  
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PLEMENTATION OF THOSE AGREEMENTS UNLESS THEIR IMMEDIATE  
IMPLEMENTATION HAS BEEN PROVIDED FOR THEREIN.

WITH RESPECT TO COOPERATION CONCERNING SUPPLYING OF  
YUGOSLAVIA WITH FUEL FOR THE KRSKO NUCLEAR POWER PLANT,  
THE UNITED STATES INTENDS TO ASSURE THAT YUGOSLAVIA RE-  
CEIVES TREATMENT NO LESS FAVORABLE THAN THE TREATMENT  
THE UNITED STATES MAY GENERALLY ACCORD TO ANY PARTY WITH  
WHICH IT COOPERATES. SINCERELY, CYRUS VANCE. END TEXT.

3. PLEASE ADVISE WHEN EXCHANGE IS COMPLETED AND WE  
WILL THEN DATE LETTER AND POUCH TO EMBASSY. VANCE

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ORIGIN OES-09

INFO OCT-01 ARA-10 ISO-00 /020 R

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DRAFTED BY OES/NET/NET:MGUHN

APPROVED BY OES/NET/NEP:MGUHN

-----125980 281444Z /53

O 281430Z AUG 78

FM SECSTATE WASHDC

TO AMEMBASSY MEXICO IMMEDIATE

C O N F I D E N T I A L STATE 188268

FOLLOWING REPEAT STATE 188268 ACTION BELGRADE JULY 26.

QUOTE C O N F I D E N T I A L STATE 188268

E.O. 11652: GDS

TAGS: PFOR, ENRG, PARM, MNUC, YO

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CONCERNING THE USE OF THE UNITED STATES FUEL FOR THE KRSKO  
NUCLEAR POWER PLANT, INCLUDING YOUR COMMUNICATION TO THE  
DIRECTOR GENERAL OF THE IAEA AND YOUR LETTER TO ME OF TO-  
DAY, AND STATE THE FOLLOWING:

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THE GOVERNMENT OF THE UNITED STATES AFFIRMS ITS INTEREST  
IN TIMELY ISSUANCE OF THE NECESSARY LICENSES FOR EXPORT OF  
FUEL FOR THE FIR T CORE AND FIRST RELOAD AS WELL AS FOR  
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NUCLEAR FUEL THE KRSKO NUCLEAR POWER PLANT MAY RECEIVE  
UNDER THIS ARRANGEMENT, IRRESPECTIVE OF THE DURATION OF  
THAT AGREEMENT.

I ALSO NOTE WITH PLEASURE THE READINESS OF THE SOCIALIST  
FEDERAL REPUBLIC OF YUGOSLAVIA TO STORE THE IRRADIATED  
FUEL SUPPLIED BY THE UNITED STATES UNDER THIS AGREEMENT  
IN ADEQUATE STORAGE FACILITIES ON THE TERRITORY OF THE  
SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA FOR A PRIOD OF  
TIME SUFFICIENT FOR ITS POSSIBLE SUBSEQUENT USE IN SUP-  
PORT OF THE ECONOMIC DEVELOPMENT OF THE SOCIALIST FEDERAL

REPUBLIC OF YUGOSLAVIA AND IN ACCORDANCE WITH NON-PROLIFERATION OBJECTIVES. FURTHERMORE, I NOTE THE READINESS OF THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA TO EXPAND ITS IRRADIATED FUEL TEMPORARY STORAGE FACILITIES AND I CAN CONFIRM, ON BEHALF OF MY GOVERNMENT, THAT THE UNITED STATES INTENDS TO PROVIDE APPROPRIATE SUPPORT FOR THESE EFFORTS.

WITH RESPECT TO DISPOSITION OF THE US FUEL IRRADIATED IN THE KRSKO NUCLEAR POWER PLANT, THE UNITED STATES UNDERSTANDS THAT THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA SHALL ACCOMPLISH SUCH DISPOSITION IN ACCORDANCE WITH THE CONFIDENTIAL

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ALTERNATIVES SET FORTH BELOW:

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THE GOVERNMENT OF THE UNITED STATES UNDERSTANDS THAT THE UNDERTAKINGS CITD ABOVE REFER TO THE FIRST CORE AND FIRST RELOAD AND ANY OTHER SUBSEQUENT RELOAD THAT MAY BE REQUESTED AND TRANSFERRED. THESE UNDERTAKINGS MAY BE TERMINATED, IT BEING UNDERSTOOD THAT SUCH TERMINATION SHALL NOT AFFECT THE RIGHTS AND OBLIGATIONS OF THE PARTIES (INCLUDING THOSE SET FORTH IN THIS LETTER) WITH RESPECT TO FUEL TRANSFERRED TO THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA PRIOR TO SUCH TERMINATION. NOTHING IN THESE ARRANGEMENTS IS MEANT TO AFFECT THE TERMS OR CONDITIONS OF

THE AGREEMENT FOR FURNISHING URANIUM ENRICHMENT SERVICES UNDER THE AGREEMENT FOR COOPERATION OF AUGUST 14, 1974, AND THE AGREEMENT FOR THE SUPPLY OF URANIUM ENRICHMENT SERVICES FOR A NUCLEAR POWER FACILITY IN THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA OF AUGUST 14, 1974.

I WOULD ALSO LIKE TO NOTE THAT SHOULD THE UNITED STATES AND THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA SUBSCRIBE TO ANY NEW INTERNATIONAL AGREEMENT WHICH WOULD REFER TO ISSUES REGULATED BY THIS AGREEMENT, THE GOVERNMENT OF THE UNITED STATES EXPRESSES ITS READINESS TO ENTER PROMPTLY

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INTO NEGOTIATIONS ON NECESSARY MODIFICATIONS FOR THE IMPLEMENTATION OF THOSE AGREEMENTS UNLESS THEIR IMMEDIATE IMPLEMENTATION HAS BEEN PROVIDED FOR THEREIN.

WITH RESPECT TO COOPERATION CONCERNING SUPPLYING OF YUGOSLAVIA WITH FUEL FOR THE KRSKO NUCLEAR POWER PLANT, THE UNITED STATES INTENDS TO ASSURE THAT YUGOSLAVIA RECEIVES TREATMENT NO LESS FAVORABLE THAN THE TREATMENT THE UNITED STATES MAY GENERALLY ACCORD TO ANY PARTY WITH WHICH IT COOPERATES. SINCERELY, CYRUS VANCE. END TEXT.

3. PLEASE ADVISE WHEN EXCHANGE IS COMPLETED AND WE WILL THEN DATE LETTER AND POUCH TO EMBASSY. VANCE  
UNQUOTE CHRISTOPHER

NOTE BY OCT: ORIGINAL DISTRIBUTION - OES/EUR,XMB,PM,NSC-\$,PUAE, NSCE,SSO,INRE,,

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TEXT, CONSTRUCTION, NUCLEAR FUELS, DIPLOMATIC COMMUNICATIONS, NUCLEAR POWER PLANTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 26 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
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**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
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**Litigation History:**  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Handling Restrictions:** n/a  
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**Review Release Event:** n/a  
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**Subject:** KRSKO FUEL EXCHANGE OF LETTERS  
**TAGS:** PFOR, ENRG, PARM, MNUC, YO, US, IAEA  
**To:** BELGRADE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/96f7576c-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
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20 Mar 2014  
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